

1           A     Yes.

2           Q     I figure I got most of them. That the By-Laws of  
3 those companies, do they have the protection against the  
4 removal of yourself as President or you don't know?

5           A     I, I believe them to be, and it is my desire that  
6 they be, and that's about the best I can do. I, I certainly  
7 believe that that same language has been incorporated into  
8 those By-Laws as well.

9           Q     Now, you did, you did testify just a moment ago that  
10 you weren't sure whether all of them had been so amended. Is  
11 that still your belief or are you now, you know, clarifying  
12 what you were saying?

13          A     I just don't know for sure. It, it certainly was my  
14 desire, and I know that I expressed that desire to, to Mr.  
15 Juggert and the other members of the Board, but I -- but as to  
16 whether or not that has actually been accomplished for each  
17 and every one of the Trinity corporations, I cannot swear to.

18               MR. SHOOK: Your Honor, in, in light of this situa-  
19 tion, the Bureau would request -- and let me just do it orally  
20 as opposed to putting it in writing -- that Trinity produce  
21 the By-Laws that would both be signed and dated so we could  
22 have information on this subject.

23               JUDGE CHACHKIN: Now, which By-Laws do you want them  
24 to produce?

25               MR. SHOOK: This would be the By-Laws not only for

1 Trinity Broadcasting of Florida, but I -- and we could -- and  
2 for Arizona, Oklahoma City, Texas, Washington, and Indiana.

3 JUDGE CHACHKIN: And you're talking about the origi-  
4 nal as well as amended By-Laws?

5 MR. SHOOK: If --

6 JUDGE CHACHKIN: If there are any?

7 MR. SHOOK: If there are differences.

8 JUDGE CHACHKIN: Yes.

9 MR. TOPEL: Can I have the companies again?

10 MR. SHOOK: Okay. The companies would be Florida,  
11 Arizona, Oklahoma City, Indiana, New York, Washington, and  
12 Texas.

13 JUDGE CHACHKIN: Now, the -- let me ask you this,  
14 Mr. Shook. If on inspection Mr. Topel discovers that in fact  
15 the, the language has not been amended and reads the same as  
16 NMTV, do you still want to see the By-Laws or could we reach a  
17 stipulation?

18 MR. SHOOK: We could reach a stipulation, Your  
19 Honor.

20 JUDGE CHACHKIN: All right. Mr. Topel, he's inter-  
21 ested basically if there are any amendments of -- or at any  
22 time that included the language protecting Dr. Crouch.

23 MR. TOPEL: We'll, we'll do our best to, to put --  
24 come up with those documents and either reach a stipulation or  
25 get the evidence in.

1 JUDGE CHACHKIN: All right.

2 MR. SHOOK: Thank you, Your Honor.

3 (Off the record.)

4 (On the record.)

5 BY MR. SHOOK:

6 Q Dr. Crouch, I would like to move on to Mass Media

7 Exhibit No. 10.

8 A Yes, sir?

9 Q All right. Now, what we have here are the Minutes

10 of the first meeting of the Board of Directors of Translator

11 TV, Inc. The Minutes reflect that the meeting took place on

12 September 19, 1980, at 3:00 in the afternoon in Tustin,

13 California, and that those present were yourself and Mrs.

14 Duff. Do you see that?

15 A Yes.

16 Q Now, are you aware of what communication, if any,

17 had been given to Reverend Espinoza before this meeting to let

18 him know that it was going to occur and what was going to

19 happen?

20 A I'm sorry. I, I would have no way of knowing if

21 this meeting was conducted before or after any communication

22 with Mr. -- Reverend Espinoza.

23 Q Well, this meeting is taking place on September 19.

24 And if you will recall, in Mass Media Exhibit 6, which was a

25 letter dated September 16, at least Mr. Juggert knew that the

1 Directors were going to be yourself and Mrs. Duff and Reverend  
2 Espinoza. And in connection with that, I believe you testi-  
3 fied that you had had a conversation with Reverend Espinoza  
4 about what was going to happen. Now, does that help you  
5 recall whether you had given Reverend Espinoza any advance  
6 notice that a meeting was going to take place and then what  
7 was going to happen at the meeting?

8 A It would appear that I at least had, had that dis-  
9 cussion by telephone with the Reverend Espinoza. Whether or  
10 not he was notified of this meeting or not, I simply have no,  
11 no recollection.

12 Q Moving on to page 2, the second to the last para-  
13 graph where it reads, "The meeting then proceeded to the elec-  
14 tion of a President..." Do you see that?

15 A Yes, sir.

16 Q Do you recall there being any conversation with  
17 Reverend Espinoza before the meeting about what office he was  
18 likely to be elected to and what he was supposed to do in that  
19 office?

20 A I have no recollection of any such conversation.

21 Q Moving on to page 3. The third paragraph from the  
22 bottom, "Resolved that all funds of this Corporation be depos-  
23 ited with..." Do you see that?

24 A Yes, sir.

25 Q Now, at this point in time, I understand that the

1 corporation had no funds. Correct?

2 A That's correct.

3 Q But as we shall see before the end of the year,  
4 apparently the corporation did have some funds?

5 A Yes.

6 Q Do you have any understanding or explanation as to  
7 why the resolution that is noted here apparently was not  
8 carried out in terms of the depositing of funds?

9 A I can only say, Mr. Shook, that, again, this was a  
10 brand new fledgling company or corporation and -- who was just  
11 in those early years such little bit of activity other than as  
12 we've said, filing a few low-power applications. It just  
13 didn't seem to have enough activity to warrant opening up a  
14 separate and special bank account in those early days.

15 Q We'll probably cover this again, but can you tell me  
16 whether the decision, and apparently it was a decision, not to  
17 open a bank account for Translator TV, Inc., was that con-  
18 scious thought on your part or was it simply something that  
19 just happened?

20 A I think it just evolved. I think there just were no  
21 funds, or very limited funds, no real activity, no stations,  
22 no involvement yet in broadcasting, and I think it probably  
23 just was more by default than anything, just, just didn't do  
24 it. I don't remember any conscious decision not to do it.

25 Q Well, about the same time, and by the same time I'm

1 speaking of September 1980, about the same time Trinity  
2 Broadcasting of Florida came into being and the Florida sta-  
3 tion, you were in the process of buying it.

4 A Yes.

5 Q Now, would I be correct that in the first meeting of  
6 Trinity Broadcasting of Florida a similar resolution would  
7 have been made to -- that all funds of that corporation be  
8 deposited in a particular account with the, with the same  
9 bank?

10 A There, there may have been, but, of course, remember  
11 Florida was an existing, ongoing business in, in operation.

12 Q Perhaps that's not a, a good example to use. Let's,  
13 let's pick an example of -- well, are there any exa-- I can't  
14 even think of any right now where you weren't -- where the  
15 corporation that was coming into being wasn't picking up an  
16 existing station. Okay. Texas. Now, in the case of Texas,  
17 if I understand it correctly, that Dallas was not a built  
18 station at the time Trinity Broadcasting of Texas came to have  
19 the permit?

20 A That is correct, but of course at the time Trinity  
21 Broadcasting of Texas was formed and the acquisition of an  
22 actual property was clearly in view and was before the  
23 Commission and was ultimately granted by the Commission. So,  
24 again, I think, I think we're -- I think --

25 Q Yeah, I don't want to mix apples and oranges, so

1 let's --

2 A Yeah.

3 Q -- let's move on. I'd like you to focus now on Mass  
4 Media Exhibit No. 11.

5 A Yes, sir.

6 Q Do you have any knowledge how it came about that the  
7 Minutes of the first meeting were supplemented or that there  
8 was some need or perceived need to have the, the Minutes  
9 supplemented?

10 A No, sir. I have no independent memory or recollec-  
11 tion of, of what triggered this supplement at all.

12 Q Now, I recognize that this is a rather long first  
13 sentence, but I'd like you to look at the first sentence and  
14 focus on what it was that the corporation or the Officers of  
15 the corporation were supposed to do.

16 A Well, it's pretty clear, to apply for low-power  
17 television station permits to acquire, construct, and operate  
18 low-power television stations, i.e. the name, Translator TV,  
19 Inc.

20 Q Well, now, in the course of acquiring low-power  
21 television stations, was it in mind from the beginning that  
22 the acquisition would be limited to situations where  
23 Translator TV, Inc., had applied for a construction permit or  
24 was it envisioned that Translator TV, Inc., could acquire  
25 someone else's construction permits?

1           A     It doesn't specifically state, I guess, the  
2 acquisition of, of existing permits, but -- I just don't know.  
3 I don't think that could necessarily be excluded from --

4           Q     Well, what I'm, what I'm getting at is if you can  
5 recall what Translator TV, Inc., had in mind, whether it was  
6 going to limit itself solely to acquiring construction permits  
7 through the application process of a station where -- or a  
8 location, rather, where there was no station and simply apply  
9 for one or whether the purposes were broad enough and that  
10 Translator TV, Inc., did have in mind the acquisition of  
11 someone else's permit who, for whatever reason, couldn't build  
12 it?

13          A     Well, I can only tell you what was in my mind, Mr.  
14 Shook. It was in my mind that this corporation, and the name  
15 itself identifies pretty much it's purpose, was to acquire a  
16 completely separate network of low-power stations. I knew  
17 this was a new company. I knew that it would have some  
18 struggles and difficulties. In those days, even Trinity  
19 Broadcasting Network was not that firmly established and, and  
20 I envisioned this as being a practical low-cost way of, in a  
21 sense, developing a whole another type of network under this  
22 particular company or corporation. And I don't think in my  
23 mind it was limited to just filing for, but also acquiring  
24 those stations by, by whatever means.

25          Q     Do you recall whether you, you know, conferred with



1 your fellow directors or informed them of, you know, your  
2 understanding of what Translator TV, Inc., could do, and  
3 specifically, you know, referencing the supplement here?

4 A I, I have no independent recollection of specific  
5 language, but I'm sure that in those early meetings that we at  
6 least discussed the vision, the goals, the purposes, the name  
7 of this corporation.

8 Q Now, I'd like you to turn to Mass Media Exhibit 13.

9 A Yes, sir. I'm there.

10 Q All right. Now, down at the bottom of the first  
11 page there is a signature.

12 A Yes.

13 Q Do you see that?

14 A Yes, sir.

15 Q Is that signature yours?

16 A That certainly appears to be my signature.

17 Q Now, the copy that I have, and because what you got  
18 is a photocopy of what I've got, there is no date. Do you  
19 have any -- if you look down at the bottom where you signature  
20 is, if you go over to the bottom of that page, there's a  
21 little reference for a date and I don't see one.

22 A I'm aware of that.

23 Q Now, do you have any recollection that there is a  
24 dated version of this that exists or is this, is this what  
25 we've got to look at, and this is it?

1           A     I, I have no knowledge, sir, other than what we are  
2 looking at.

3           Q     Very good. With respect to the information that  
4 appears on the first page and, you know, take as, take as much  
5 time as you need to, to look at that information, the question  
6 that I have for you is what, if any, involvement did you have  
7 in drafting this language, or did -- you know, did you have  
8 any input into the language used here?

9           A     No, sir. This -- these applications for recognition  
10 of exemption were typically prepared and filed by Mr. Juggert.

11          Q     Would it be fair to state that basically, and I, I  
12 emphasize basically, that he would take a similar application,  
13 for example, one that had been done for Florida, and simply  
14 modify it to fit whatever the, the new company was?

15          A     I, I truly believe that was his practice.

16          Q     So, was this something that you would even discuss  
17 with him beforehand in terms of what language would appear,  
18 what responses would be given?

19          A     No, sir.

20          Q     Now, with respect to page -- or, excuse me -- page  
21 1, now paragraph 2, it makes reference to the telethon that's  
22 going to -- apparently going to take place in November 1980.  
23 Do you see that?

24          A     Yes, sir.

25          Q     Now, is this information that Mr. Juggert would have

1 | been aware of independently or is this something that he would  
2 | have learned from, from you?

3 |       A     He would probably have learned that information from  
4 | myself.

5 |       Q     Now, moving on to the second page, take a look at  
6 | the question and answer, and the question that I have for you  
7 | is do you have any explanation as to why no reference was made  
8 | about involving minorities in broadcasting with respect to  
9 | this corporation?

10 |       A     I can't speak for Mr. Juggert. He'll be here in a  
11 | few days and you can ask him that. I can tell you from my  
12 | perspective the purpose of this application was to the  
13 | Internal Revenue Service for the granting of a tax exemption  
14 | for the nonprofit status of this corporation. There would  
15 | have been no purpose, really, in this application to have  
16 | stated that to the Internal Revenue Service because the  
17 | information would have been irrelevant to them, I understand.

18 |       Q     Moving on to the third page, specifically paragraph  
19 | 5 --

20 |       A     Yes.

21 |       Q     Did you have any discussion with Mr. Juggert about  
22 | the answers to this portion of the Application for Exemption?

23 |       A     I, I have no independent recollection of any dis-  
24 | cussion with regard to, really, any part of this application,  
25 | Mr. Shook.

1           Q     Moving to pages 7 and 8. Do you have any knowledge  
2 as to how Mr. Juggert obtained the information that is in the  
3 -- in pages 7 and 8 about yourself and Mrs. Duff and Reverend  
4 Espinoza?

5           A     This is information that would certainly be avail-  
6 able in the files of Trinity Broadcasting. I, I have no  
7 independent knowledge of how he arrived at that.

8           Q     Very good. Let's turn to Mass Media Exhibit 14.

9           A     Yes, sir.

10          Q     Now, I recognize that this letter is directed to  
11 Mrs. Duff, and so my, my question for you with respect to this  
12 letter is do you recall Mrs. Duff bringing this letter to your  
13 attention on or about November 7, 1980?

14          A     No, sir. I, I have no, no recollection of that.  
15 The Board had earlier commissioned itself to become involved  
16 in low-power or translator stations and I simply see this as  
17 a, a logical progression, but I'm, I'm sorry, sir. I have no  
18 independent memory or knowledge of this particular letter.

19          Q     Would it have been the typical practice -- and now  
20 we're focusing in late 1980. So, would it have been the  
21 typical practice for Mrs. Duff to handle correspondence like  
22 this and not bring it to your attention?

23          A     I believe so.

24          Q     She had enough independent authority at that time  
25 to, to deal with the attorney and resolve whatever the problem

1 was?

2 A Mrs. Duff was to be, as I said earlier, the point  
3 person, the, the real hands-on person to deal with the day-to-  
4 day operations of, of this new corporation, and this would  
5 have been very typical, I think, of her involvement.

6 Q Now, turning to Mass Media Exhibit 15, would your  
7 response be the same as it was to our -- my question concern-  
8 ing Mass Media 14, that this is a letter that would not have  
9 been brought to your attention by Mrs. Duff?

10 A May I take a min-- moment to --

11 Q Certainly, sir.

12 A Yes, sir. I, I think my answer would, would be  
13 identical.

14 Q Now, I'd like you to -- despite the fact that this  
15 letter itself may not have been brought to your attention,  
16 there is something here I would like you to look at. In the  
17 middle of the first paragraph, before we get to the numbered  
18 sections, there is a sentence that reads, "Since Translator  
19 TV, Inc., will be appearing on KTBN TV's November telethon  
20 seeking support from the public, it is important that proper  
21 record-keeping procedures be implemented." Do you see that?

22 A Yes, sir.

23 Q Now, tell me how it would come about that Colby May,  
24 who is the author of this letter, would know prior to the time  
25 of the telethon that Translator TV, Inc., was going to be

1 appearing? What process would have occurred so that he would  
2 know and that Mrs. Duff would know?

3 A I can only say that Mrs. Duff must have passed that  
4 information to Mr. May, since he references it here in his  
5 letter November 10th. I have no independent recollection or  
6 memory of, of how that information may have gotten to either  
7 Mrs. Duff, or if it was from Mrs. Duff to Mr. May how that  
8 occurred. I just have no knowledge of that, sir.

9 Q Well, it would have been -- would, would it not have  
10 been a very unusual occurrence for someone in the position of  
11 Mrs. Duff to relay that Translator TV, Inc., is going to be  
12 appearing on the telethon if that not -- if that had not been  
13 communicated to her from you?

14 A There was undoubtedly some communication between  
15 Mrs. Duff and myself concerning the desirability of raising  
16 some seed money, as it were, on this particular telethon to  
17 assist Translator TV, Inc., to get a start.

18 Q Well, moving on to Mass Media Exhibit 16, what I'd  
19 like you to focus on is, first of all, the first page. This  
20 letter was sent from Mr. Juggert to Mrs. Duff. Do you see  
21 that?

22 A Yes, sir.

23 Q And it references in number 4 a Power of Attorney.  
24 Do you see that?

25 A Yes.

1 Q And turning to page 9 of the exhibit, there appears  
2 a Power of Attorney. Do you see that?

3 A Yes, sir.

4 Q And there is a signature down in the bottom right.

5 A That is my signature.

6 Q Now, do you have any recollection how it came about  
7 that you gave a Power of Attorney to Mr. Juggert relative to  
8 this matter?

9 A I, I see, as I review it, that I'm simply giving Mr.  
10 Juggert the Power of Attorney to in fact represent the tax-  
11 payer, i.e., Translator TV, Inc., before any office of the  
12 Internal Revenue Service with respect to the Taxpayers  
13 Application for Recognition of Exemption under section so-and-  
14 so. This would have been very typical for me to, to do this,  
15 to empower Mr. Juggert to complete the Application for  
16 Exemption.

17 Q With respect to that Power of Attorney, is that  
18 something that you would have done as a result of your being  
19 the President of the company or was this something that would  
20 have been discussed among the Board members and resulted from  
21 Board action?

22 A I think that would clearly be a, a Chief Executive  
23 Officer's prerogative.

24 Q Now, I'd like you to turn to Mass Media Exhibit 17,  
25 specifically page 3. Do you see the signature there?

1 A Yes, sir.

2 Q Is that yours?

3 A That -- yes, sir, that is my signature.

4 Q Now, with respect to the application, I'm not going  
5 to ask you about the contents. What I'm going to ask you  
6 about is in reference to the information that appears in page  
7 4 in terms of the persons who were involved.

8 A I'm there.

9 Q Do you see that?

10 A Yes.

11 Q Do you see a number of persons named?

12 A I do.

13 Q Now, I notice you have two consulting engineers.  
14 Are these persons who worked together or were they separate  
15 persons, you know, in separate organizations? There's a  
16 Edward K. Tippler and James Reiger.

17 A The only name I recognize is James Reiger, since I  
18 recall that he was the consulting engineer that was servicing,  
19 I believe, some existing low-power translator stations that  
20 were licensed to Channel 40 in southern California. I, I'm  
21 sorry. I, I draw a blank on Mr. Tippler. I do not know him  
22 at all.

23 Q In terms of your signing an application such as  
24 this, I, I take it with these individuals who prepared the  
25 various exhibits, that you relied on them to put the applica-



1 tion together?

2 A I did indeed.

3 Q And what, what process would you undertake in re-  
4 viewing the application to determine its accuracy prior to  
5 your signing it?

6 A I don't know that I had any standard procedure.  
7 Typically, you, you review these. You, you look at them. You  
8 sign them and send them off to your attorney in Washington.

9 Q Well, would it have been your practice to have any  
10 discussions with the individuals who were preparing the exhib-  
11 its to ascertain, you know, the process that they went  
12 through, or is it something where you would receive the appli-  
13 cation, give it a quick once-over, and if, so far as you could  
14 tell, it was accurate you'd sign it?

15 A Remember, Mr. Shook, I, I devote very little time to  
16 Translator TV, Inc., National Minority, and I, I think your  
17 latter characterization would be the best. I, I simply would  
18 scan it, sign it, and rely upon Mrs. Duff and the other indi-  
19 viduals and, finally, FCC counsel to ensure its accuracy for  
20 filing.

21 Q I'd like to move on to Bureau Exhibit 18.

22 A Yes, sir. I'm there.

23 Q Now, there are a number of things I'm going to ask  
24 you to look at relative to a combination of exhibits. With  
25 respect to this Exhibit 18, what I want you to look at is the

1 second to the last paragraph that appears on page 1.

2 A You wish me to read that?

3 Q Just to yourself.

4 A Okay. I, I've read that.

5 Q Now, you see that there are two figures there, one  
6 for 21,000,000 and one for 15,600,000.

7 A Yes. Yes.

8 Q Do you see that?

9 A I see that.

10 Q Now, what is your understanding in terms of what  
11 those amounts represent?

12 A Those represent telephoned-in pledges from viewers  
13 and donors of the Trinity Broadcasting Network during a typi-  
14 cal twice annual telethon that we talked about earlier.

15 Q All right. Sir, the, the total amount of pledges  
16 called in was 21,000,000?

17 A According to this it was.

18 Q But in terms of what Trinity actually expected to  
19 get, that was going to be the \$15,600,000 figure?

20 A There's always a bit of attrition. There's always  
21 some individuals who, for whatever reason, cannot or do not  
22 fulfill their pledges. So, yes, a, a reasonable amount was  
23 estimated for that that would not come in.

24 Q Now, turning to the second page of Mass Media  
25 Exhibit 18, the person who signed this document, the signature

1 is not very, very easy to read, but you can make out who it  
2 is, can't you?

3 A Yes. It's Mr. William G. Phipps, our -- at this  
4 point, our comptroller.

5 Q And by comptroller, was he essentially the person in  
6 charge of TBN's finances?

7 A Finance Director, yes.

8 Q Now, up toward the -- I guess it's the top of the  
9 page, not the maintenance costs but the figures that appear  
10 underneath where we have projections of revenue and expenses,  
11 and take your time here so that you're giving me your best  
12 information, are these revenue and expense figures supposed to  
13 be for the Network itself in terms of all of its operations or  
14 is this limited in some way to some peculiar activity of the  
15 Network or some subset of Network activities?

16 A I think this whole report, as I review it, refers to  
17 a projected three-year cash flow estimate for the construction  
18 and maintenance costs of the translator sites as opposed to  
19 the entire Trinity Broadcasting Network.

20 Q All right. With that in mind, I'd like you to turn  
21 to Mass Media Exhibit 19.

22 A Yes, sir.

23 Q And why don't you take your time and read through  
24 that to yourself.

25 A I'm -- I've completed that.

1           Q     Now, you'll notice that while not exact there  
2 appears to be at least a rough correlation between the  
3 \$9,270,323 figure that appears in Mass Media Exhibit 19 that  
4 appears to be pledged for satellator/translator stations with  
5 the figure that appears on page 2 of Mass Media Exhibit 18 in  
6 terms of the revenue that is expected for the 12 months ending  
7 12/31/80. Do you see that?

8           A     Yes, sir.

9           Q     Now, I'd like you to move on to Mass Media Exhibit  
10 20.

11          A     Okay. I'm there.

12          Q     And just read through -- read it through to your-  
13 self.

14          A     Yes. I, I've perused that.

15          Q     Now, do you see that there's also a reference to a  
16 figure \$9,270,323?

17          A     Yes, sir.

18          Q     That appears to be funds that were pledged relative  
19 to solicitations made on November 19, 1980, from 6:00 p.m. to  
20 1:00 a.m., and the funds were solicited -- and then it also  
21 says, excuse me, "funds were solicited on 11/20/80 by Paul..."  
22 -- I presume that to mean you, since it says "Paul and Jan  
23 Crouch..." --

24          A     Yes.

25          Q     -- "...President," and then it says, "and founders."

1 A Yes. That is my wife and me.

2 Q Now, the founders is referencing yourself and Mrs.  
3 Crouch or is that supposed to include other persons?

4 A No. That would reference my wife and me.

5 Q All right. So, the way I understand the situation  
6 here, as of December 1980 Mr. Phipps, your comptroller, is  
7 expecting some \$9,000,000 relative to satellator and transla-  
8 tor stations?

9 A Yes. I, I see that.

10 Q Now, I'd like to jump ahead a little bit to Mass  
11 Media Exhibit 29.

12 A I'm there.

13 Q Now, if you would, take a look at the second sen-  
14 tence of that first paragraph.

15 A Yes, sir. I, I've read that.

16 Q Am I to understand that the difference between the  
17 \$500,000 figure that's referenced in Mass Media Exhibit 29 and  
18 the \$9,000,000 figure that is referenced in Mass Media  
19 Exhibits 19 and 20 are due solely to the fact that the  
20 \$500,000 figure in Mass Media 29 is limited to November 19  
21 whereas in Mass Media Exhibit 19 and 20 the indications are  
22 that solicitations occurred on both the 19th and the 20th?

23 A Well, sir, I'm, I'm having a little trouble deci-  
24 phering that myself, because the figures are substantially  
25 different here.

1 Q Oh, they most certainly are.

2 A Let me, let me give you a very interesting insight  
3 into, into what happens during these telethons. We will raise  
4 funds for a designated project, such as low-power translator  
5 television stations, and a certain sum, in this case in excess  
6 of \$9,000,000, apparently was pledged. There is a most unusu-  
7 al -- I shouldn't say unusual -- a most usual phenomenon that  
8 you will find amongst similar organizations and ministries to  
9 Trinity, and that is simply this: People will see a particu-  
10 lar project presented. They agree with that. They make a  
11 pledge to support that. But, unfortunately, in many cases,  
12 and we have found over the years in a, in a vast majority of  
13 cases, when the donor sits down to write that check and send  
14 it in, they don't bother to put a notation in their letter or  
15 on their check: this is for that particular project, i.e. the  
16 low-power translator stations. Absent that, the people in  
17 Accounting have, have no choice but to simply put it into the  
18 general fund of the organization. So, I have no way of know-  
19 ing exactly how much of that \$9,000,000 came in, nor do I know  
20 how much of it went into the general fund because of a lack of  
21 designation by the donor and how much of it went into the  
22 Translator fund because it was properly identified by the  
23 donor. That is just a phenomenon that we live with in this  
24 world of nonprofit corporations.

25 Q In a way, you're anticipating my next question, and

1 that would have been: is that the explanation that you would  
2 give as to why for the year ending December 31, 1980, and we  
3 can verify that through looking at documents if need be, the  
4 income that was attributed to Translator, Inc., was \$31,000,  
5 which obviously is not even remotely close to either the  
6 \$500,000 or the \$9,000,000 referenced in these other  
7 documents?

8       A     There is another good explanation for that, Mr.  
9 Shook. These pledges that are made are, are typically made  
10 over a period of one year, so we don't even expect that flow  
11 of funds to come in except over the following 12 months. So,  
12 you see, since the, the telethon is conducted in November, we  
13 only had about a little over a month for those pledges to  
14 begin to come in. Most of those pledges are a monthly pledge  
15 of 10, 15, or 25 dollars a month, but they are made over a  
16 period of a year. So, as I said, we wouldn't even expect  
17 those, that \$9,000,000, to have come in except over a period  
18 of about one year.

19       Q     Now, do you have any recollection as to whether the  
20 telethon that was conducted in November 1980, and I recognize  
21 that this is a bit of a stretch, whether you were soliciting  
22 funds specifically for Translator TV, Inc., or just a general  
23 category of satellator/translator stations?

24       A     It, it may have been and probably was for both. Of  
25 course, Trinity already had some of its own translator sta-

1 tions and probably envisioned additional stations. I think  
2 the distinction would have been we would have applied for  
3 translator stations which is fed from a broadcast station as  
4 opposed to satellator stations on behalf of a Trinity company.  
5 In other words, it's more convenient to feed a translator  
6 station in Flagstaff, Arizona, from Channel 21 in Phoenix than  
7 to put a satellite dish in and feed it from Network  
8 Headquarters. So, we would probably desire to file for trans-  
9 lator stations under the auspices of the full-power station in  
10 its vicinity. And National Minority, I think, was more envi-  
11 sioned as being the satellator network to feed low-power  
12 stations by satellite. So, to answer your question, we, we,  
13 we may have solicited and probably did solicit funds for both  
14 National Minority as well as Trinity Broadcasting for "low-  
15 power stations."

16 Q Now, with that in mind, with respect to Mass Media  
17 Exhibit 29, do you recall having any conversation with Mr.  
18 Phipps -- are, are you at Mass Media 29?

19 A Yes.

20 Q All right -- in terms of monies that were specifi-  
21 cally to go to Translator TV, Inc., because this memo suggests  
22 to me that there should have been somewhere in the vicinity of  
23 a half million dollars going to Translator TV, Inc.?

24 A To answer your question, Mr. Shook, no, I, I don't  
25 have any recollection of any discussion with Mr. Phipps con-



1 cerning this.

2 (Off the record.)

3 (On the record.)

4 BY MR. SHOOK:

5 Q Relative to the money, I would like to explore  
6 something else with you here. And this may take a little bit  
7 of mental gymnastics, but let's see what we can do. In terms  
8 of the figures that appear in Mass Media Exhibit 18, first of  
9 all, on page 1 we had talked about a \$21,000,000 figure and  
10 then the \$15,600,000 figure.

11 A Yes.

12 Q Do you recall that?

13 A Yes.

14 Q Now, on page 2, we had lesser revenue figures to  
15 deal with. Those were the \$9,600,000, et cetera, for the  
16 period ending 12/31/80, and then progressing from there. Do  
17 you see that?

18 A Yes.

19 Q Now, would I be correct that the \$9,000,000 figures  
20 and the ones following, those were related to translator/  
21 satellator situations? Is that what you understand to be  
22 going on here?

23 A From this document, that is what I understand, Mr.  
24 Shook.

25 Q All right. Now, is that 9,000,000 supposed to be in